



U.S. DEPARTMENT OF ENERGY
Office of Electricity Delivery and Energy Reliability
Infrastructure Security and Energy Restoration

ENERGY ASSURANCE DAILY

Monday Evening, August 01, 2016

Electricity

Monsoon Knocks Out Power to 50,000 Customers in Arizona July 29

Powerful monsoons knocked out power to at least 26,000 Arizona Public Service (APS) customers and 24,000 Salt River Project (SRP) customers on Friday night. Crews worked throughout the day Saturday into Sunday morning clearing debris and downed trees to make repairs. By Sunday morning, power was nearly fully restored to all affected customers.

<https://twitter.com/@apsfyi>

<http://outagemap.aps.com/outageviewer/>

<https://www.facebook.com/SRPconnect>

<https://myaccount.srpnet.com/MyAccount/outages/public>

<http://www.azfamily.com/story/32579340/cleanup-continues-power-outages-linger-after-fridays-big-storm>

Storms Knock Out Power to Over 17,000 Customers in New Jersey July 30

Storms producing high winds and heavy rain knocked out power to at least 17,900 Jersey Central Power & Light (JCP&L) customers in New Jersey on Saturday afternoon. An unspecified weather-related problem at a JCP&L substation caused outages in Morristown and several nearby towns, a company spokeswoman said. As of 11:00 a.m. Monday, 313 customers remained without power.

https://twitter.com/jcp_l

<http://outages.firstenergycorp.com/nj.html>

http://www.nj.com/news/index.ssf/2016/07/thousands_without_power_flights_delayed_after_stor.html

Update: Repairs to NTPC's Fire-damaged Snare Hydro Transmission Line in Yellowknife, Northwest Territories to Take 5 Days July 29

The Northwest Territories Power Corporation (NTPC) on Friday was asking Yellowknife, Northwest Territories residents to continue conserving energy as it repairs transmission lines from the Snare hydro system. A city-wide power outage on July 28 was caused by an out-of-control wildfire disrupting the transmission lines. The fire near the Snare system, which began earlier this month, is now estimated to be about 20,500 hectares in size and continues to burn out of control. NTPC found one span of wire on the ground between two of the transmission towers and estimated repairs to take five days. The North Slave region remains on hydro power from the Bluefish dam and diesel power from Jackfish Lake plant.

https://twitter.com/NTPC_News

<http://www.cbc.ca/news/canada/north/repairs-to-snare-hydro-transmission-line-to-take-5-days-1.3701694>

Dominion's 917 MW North Anna Nuclear Unit 2 in Virginia Shut July 30

The unit was shut from full power on July 30 due to unisolable reactor coolant system boundary leakage.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2016/>

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2016/20160801en.html>

FPL's 839 MW Saint Lucie Nuclear Unit 1 in Florida Reduced to 72 Percent by August 1

On the morning of July 31 the unit was operating at full power.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2016/>

FPL's 693 MW Turkey Point Nuclear Unit 3 in Florida Shut by July 30

On the morning of July 29 the unit was operating at 82 percent. The cause of the shutdown was currently unknown.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2016/>

RRI Energy's 741 MW Ormond Beach Gas-fired Unit 1 in California Shut by July 31

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201607311515.html>

CDWR's 933 MW Hyatt-Thermalito Hydro Unit in California Reduced by July 31

The unit entered an unplanned curtailment of 270 MW.

<http://content.caiso.com/unitstatus/data/unitstatus201607311515.html>

Update: Blythe Energy's 493 MW Gas-fired Unit in California Returns to Service by July 30

The unit returned from an unplanned curtailment of 253 MW that began on July 28.

<http://content.caiso.com/unitstatus/data/unitstatus201607301515.html>

SCE's 820 MW Big Creek Hydro Unit in California Reduced by July 30

The unit entered an unplanned curtailment of 381 MW.

<http://content.caiso.com/unitstatus/data/unitstatus201607301515.html>

Update: AES's 496 MW Redondo Gas-fired Unit 8 in California Returns to Service by July 29

The unit returned from an unplanned outage that began on July 27.

<http://content.caiso.com/unitstatus/data/unitstatus201607291515.html>

AES's 332 MW Alamos Gas-fired Unit 3 in California Reduced by July 29

The unit entered an unplanned curtailment of 182 MW.

<http://content.caiso.com/unitstatus/data/unitstatus201607291515.html>

CDWR's 374 MW San Luis Hydro Unit in California Reduced by July 29

The unit entered an unplanned curtailment of 230 MW.

<http://content.caiso.com/unitstatus/data/unitstatus201607291515.html>

Calpine Announces Plans to Close Its 400 MW Clear Lake Natural Gas-fired Power Plant in Texas within 2 Years

Calpine Corp. on Friday said it plans to close its aging Clear Lake natural gas-fired power plant in within the next two years due to outdated technology, growing maintenance costs, and shrinking profits. The company said it will soon file its plans with Texas regulators to close the plant no later than the summer of 2018.

<http://investor.calpine.com/news/press-release-details/2016/Calpine-Reports-Second-Quarter-Results>

<http://www.chron.com/business/bizfeed/article/Calpine-plans-to-close-Clear-Lake-power-plant-8620781.php>

New York PSC Approves Clean Energy Standard with Nuclear Subsidies August 1

The New York Public Service Commission (PSC) on Monday approved the proposed Clean Energy Standard, which requires that 50 percent of the state's power will come from clean and renewable sources of energy by 2030, including nuclear power. The subsidies are part of an effort to keep the nuclear reactors, which produce almost no emissions, operating at a time of low prices for power as well as for natural gas, an alternative generator fuel. Several nuclear plants in New York and across the country may have to shut over the next few years because power prices are lower than reactor operating costs due to ample supplies of cheap gas from shale fields. PSC staff estimated the economic and environmental benefits of keeping the reactors in service at about \$5 billion over the first two years of the program, for a net benefit of about \$4 billion since the cost of the nuclear subsidy was calculated at up to \$965 million. Reactors eligible for the program include Exelon Corp's Ginna and Nine Mile Point Units 1 and 2, and Entergy Corp's FitzPatrick. Entergy, which has said it would shut FitzPatrick in 2017, is in discussions with Exelon for the potential sale of FitzPatrick. The companies have said those discussions depend on the terms and timeliness of the state's Clean Energy Standard. The plan included only the upstate reactors because prices there are expected to be too low to cover the operating and other costs of those plants. Entergy's Indian Point Units 2 and 3 were not included in the program, at least for the first two years, because downstate power prices were expected to remain high enough to cover the plant's operating and other costs, the report said. Entergy is seeking to renew the operating licenses for the two Indian Point reactors, while New York Governor Andrew Cuomo has opposed the continued operation of the plant because it is located in the heavily populated New York metropolitan area about 40 miles north of New York City.

<http://www.governor.ny.gov/news/governor-cuomo-announces-establishment-clean-energy-standard-mandates-50-percent-renewables>

Duke Energy Carolinas Customers Set Summertime Electricity Use Record of 20,671 MW July 27

Duke Energy Carolinas customers in North Carolina and South Carolina set a summertime record for electricity usage this week as the region's lingering heat wave drove up energy demand. The new summer peak usage record is 20,671 MW of electricity for the hour ending at 5 p.m. EDT, Wednesday, July 27, 2016—exceeding the previous summertime record of 20,628 MW, set on August 8, 2007. The all-time Duke Energy Carolinas record—covering both summer and winter seasons—remains 21,101 MW, set on February 20, 2015. Duke Energy said it has sufficient supplies of electricity to meet its customers' needs, and technicians were working around the clock to ensure smooth operations at power plants and along power lines.

<https://news.duke-energy.com/releases/releases-20160801>

Petroleum

Update: Breached Husky Pipeline Dug Up in Saskatchewan July 29, Cause of 1,572-Barrel Oil Leak Remains Unknown

The exact cause of the 1,570-barrel oil spill from Husky's Saskatchewan Gathering System pipeline, which flowed into the North Saskatchewan River, remained unknown on Monday, according to officials. Husky said it noticed pressure "anomalies" in part of its pipeline on July 20 and detected the spill the following day, when the pipeline was immediately shut down. About half of the spilled oil was recovered but there is no immediate deadline for when the cleanup will conclude, officials said. The spill is still threatening the drinking water of riverside communities and municipalities, including the cities of Prince Albert and North Battleford, which have stopped drawing drinking water from the river and using other sources temporarily. A spokesman for Saskatchewan's environment ministry said the province and Husky have set up 11 containment booms and were cleaning up the river and shoreline. The Saskatchewan deputy minister of the economy said the breached section of Husky's pipeline was dug up on Friday and plans were being made to remove the 16-inch wide section without causing a further release of crude oil. Once it's removed, it will be sent for testing and the details of the findings will be included in a full report on the incident. The government has said it expects Husky to submit that full report within 90 days of the pipeline breach.

<http://www.huskyenergy.com/news/saskatchewan-updates.asp>

Reuters, 15:16 August 1, 2016

Phillips 66 Reports Steam Boiler Shut at Its 247,000 b/d Alliance, Louisiana Refinery August 1

Phillips 66 reported a steam boiler tripped out of production late on Monday morning at its Alliance, Louisiana refinery, said a spokeswoman for the Louisiana Department of Environmental Quality.

Reuters, 15:36 August 1, 2016

Update: Magellan Resumes Operations on Its 30,000 b/d Refined Products Pipeline in Kansas July 31

Magellan Midstream Partners resumed transportation service on its 8-inch refined products pipeline from Olathe, Kansas, to Kansas City, Kansas, on Sunday evening, a company spokesman said. The line, which originates in Coffeyville, Kansas, went out of service on June 7 after erosion following heavy rainfall exposed a segment of the pipeline.

Reuters, 12:10 August 1, 2016

Update: FCCU at PES' 335,000 b/d Philadelphia, Pennsylvania Refinery Remains Offline July 31 – Source

An 85,000 b/d fluid catalytic cracking unit (FCCU) that was shut last week at Philadelphia Energy Solutions' (PES) Philadelphia, Pennsylvania refinery remains offline and is expected to be down for a week, a source said on Sunday. The FCCU was shut Wednesday night at the Girard Point section of the Philadelphia refinery complex. Sources had originally expected a restart attempt by the weekend. Meanwhile, a 30,000 b/d reformer unit in the Point Breeze section of the complex is expected to remain offline for a week. The reformer unit was shut on Friday and is not related to the FCCU issue, said the source.

Reuters, 19:43 July 31, 2016

Valero's 190,000 b/d Memphis, Tennessee Refinery Output Unaffected by Shut Hydrogen Plant August 1 – Sources

Production at Valero Energy Corp's Memphis, Tennessee refinery has not been affected by the shutdown of the sole hydrogen plant over the weekend, sources familiar with plant operations said on Monday. At least one heater tube on the boiler at the hydrogen plant was known to be damaged, but crews were trying to determine if others were in need of repair, the sources added. The refinery is able to use hydrogen produced by the reformer to replace the hydrogen made by the plant, the sources said. If the outage is lengthy, however, Valero may have to cut back production. The length of repairs required has not been determined as of early on Monday.

Reuters, 14:52 August 1, 2016

Marathon Shuts Crude Unit, VDU at Its 212,000 b/d Robinson, Illinois Refinery July 31 – Source

Marathon Petroleum unexpectedly shut its lone crude unit and associated vacuum distillation unit (VDU) on Sunday at its refinery in Robinson, Illinois, according to a source familiar with the plant's operations. The company shut the units after discovering a leak and plans on restarting the units by the end of the week, the source said Monday.

Reuters, 15:26 August 1, 2016

BP Cuts Reformer Production at Its 413,500 b/d Whiting, Indiana Refinery over Weekend – Sources

BP Plc curtailed production over the weekend on the 60,000 b/d reforming unit at its Whiting, Indiana refinery for repairs, sources familiar with plant operations said on Monday. The reformer's cut production levels were having a "minimal impact" on the refinery's overall production, the sources said. The reformer, called Ultraformer 4, failed to function at expected levels since completing a 10-week overhaul in mid-June.

Reuters, 10:58 August 1, 2016

Update: Motiva Returns FCCU at Its 237,700 b/d Norco, Louisiana Refinery to Normal Production August 1 – Sources

Motiva Enterprises returned the 112,000 b/d residual catalytic cracking unit (FCCU) at its Norco, Louisiana, refinery to normal production on Monday after completing the unit's restart, sources familiar with plant operations said. The gasoline production unit restarted on Sunday, but Motiva was working to get the unit's output within specification before resuming normal production, the sources said. The FCCU was shut for repairs on July 21.

Reuters, 8:55 August 1, 2016

Update: Petrobras' 112,229 b/d Pasadena, Texas Refinery Returns to Production July 29 after Shutting Due to Lightning Strike July 25 – Sources

Petrobras' Pasadena, Texas refinery returned to normal production on Friday after restarting on Thursday for the first time since a lightning strike shut the refinery on July 25, sources familiar with plant operations said. Petrobras restarted the refinery on Thursday and filed a notice with the Texas Commission on Environmental Quality on Friday as it continued to fine-tune production on the fluidic catalytic cracking unit.

Reuters, 16:09 July 29, 2016

Update: LyondellBasell's 263,776 b/d Houston, Texas Refinery Production at Full Rates July 29 – CEO

LyondellBasell Industries' CEO said on Friday the company's Houston, Texas refinery was operating at full rates after restarting the 42,000 b/d small coking unit in mid-July. The unit was shut for repairs after a fire on April 8.

Reuters, 11:36 July 29, 2016

Phillips 66 Says Refiners to Cut Production Due to Oil Surplus

Phillips 66 joined Valero Energy Corp in saying that refiners are expected to process less crude in the second half of the year as margins shrink due to a gasoline surplus. Phillips 66 said its refineries are expected to function at a mid-90 percent capacity in the current quarter, compared with the 100 percent utilization it reported in the second quarter. Alon USA Energy said on Friday it expected to continue processing less crude at its 74,000 b/d Krotz Springs refinery in Louisiana.

http://www.downstreamtoday.com/news/article.aspx?a_id=52979

U.S. Crude-by-Rail Shipments Fell by 2,000 b/d in May – EIA

U.S. shipments of crude oil via rail in May fell by 2,000 b/d from the previous month to 470,000 b/d, according to data released Friday by the U.S. Energy Information Administration (EIA). Shipments within the U.S. in May rose by 17,000 b/d from the previous month to 399,000 b/d, while shipments from Canada to the U.S. fell by 18,000 b/d from the previous month to 71,000 b/d.

Reuters, 15:15 July 29, 2016

Par Pacific Holdings Successfully Closes Acquisition of Wyoming Refining Company, Related Logistics Assets July 14

Par Pacific Holdings, Inc. on July 14 announced it successfully completed its acquisition of Hermes Consolidated, LLC (dba Wyoming Refining Company). An 18,000 b/d refinery, located in Newcastle, Wyoming, and related logistics assets throughout the region were included in the acquisition.

<http://www.parpacific.com/profiles/investor/ResLibraryView.asp?ResLibraryID=82021&BzID=2193&g=652&Nav=0&LangID=1&s=0>

Natural Gas

Enbridge Reports Upset at Its 150 MMcf/d Tilden Gas Plant in Texas July 31

Enbridge reported an upset due to mechanical failures with the acid gas injector (AGI) compressors. All gas was routed to the flare to curtail emissions and the flow and process were adjusted to minimize downtime.

<http://www2.tceq.texas.gov/oce/ee/index.cfm?fuseaction=main.getDetails&target=240355>

Targa Reports AGC Shut, Flaring at Its 150 MMcf/d Sand Hills Gas Plant in Texas July 30

Targa reported the acid gas compressor (AGC), C-14, was shut to prevent equipment damage on high fifth stage discharge temperature. This routed acid gas to the emergency acid gas flare. The AGC was repaired and restarted and the fifth stage compressor valves were replaced. The AGC was restarted and flaring ceased.

<http://www2.tceq.texas.gov/oce/ee/index.cfm?fuseaction=main.getDetails&target=240350>

Spire Announces Open Season for Its 400 MMcf/d STL Natural Gas Pipeline from Illinois to Missouri August 1

Spire Inc. on Monday announced the beginning of open season for its proposed 70-mile STL pipeline that would interconnect to the Rockies Express Pipeline in Scott County, Illinois and end in St. Louis County, Missouri. Open season bids are due August 19 for service beginning as early as November 1, 2018.

<http://www.spireenergy.com/news/news-releases/2016/08-01-2016-130521301>

Other News

Nothing to report.

International News

Militants Attack Two Oil Facilities in Northern Iraq July 31 – Security Sources

Militants in northern Iraq stormed an oil facility on Sunday and detonated explosives at an oil storage tank, security sources said. The assault on the Bai Hassan station, about 25 miles northwest of Kirkuk, followed an attack in the early morning on a gas station nearby, which left at least four workers dead. There have been no claims of responsibility for either attack, but Islamic State militants have repeatedly targeted energy installations in the area.

Reuters, 3:07 July 31, 2016

Shell Pipeline Attacked by Suspected Militants in Nigeria's Delta – Community Group

Suspected militants on Sunday morning attacked Shell's joint venture Trans Ramos oil pipeline in Nigeria's southern Niger Delta region, locals and a community group said on Monday. Shell said the line was closed for repairs and that it was investigating the reported incident. Militants have attacked oil and gas facilities in the country's energy hub over the last few months, cutting the country's crude production—which stood at 2.2 million b/d at the start of the year—by around 700,000 b/d.

Reuters, 6:13 August 1, 2016

Iraq's Oil Exports from Southern Ports Rose to 3.2 Million b/d in July – Oil Officials

Iraq's oil exports from its southern ports rose to 3.2 million b/d on average in July, up from 3.175 million b/d in June, as the country increased crude production, Iraqi oil officials said. Output at the Luhais field, operated by state-run South Oil Company, increased by 10,000 b/d to 90,000 b/d in July, according to a company official. Fields operated by foreign companies in southern Iraq also contributed to the July increase, he said. The southern region produces most of the country's crude oil. The northern Kurdish regional government exports about 500,000 b/d through a pipeline to the Turkish port of Ceyhan, on the Mediterranean, but that is done independent of the central government in Baghdad, which oversees crude sales from the south. Iraqi officials and oil analysts expect further growth in the country's exports this year, although at a slower rate than in 2015 when it was the fastest source of OPEC supply growth. The July output increase in Iraq comes despite a pipeline leak that shipping and trade sources said prompted a brief suspension of loadings at two of the southern terminals. The Iraqi oil ministry said on July 11 the leak was repaired.

Reuters, 4:56 August 1, 2016

Libya's NOC Welcomes Opening of Ports, Aims for 900,000 b/d by End of 2016

Libya's National Oil Corporation (NOC) on Sunday said it welcomed the "unconditional" reopening of blockaded oil ports following a deal on Thursday between the U.N.-backed government and an armed force which controls key facilities, saying it would begin work to restart exports from the terminals. The NOC said the U.N.-backed Government of National Accord (GNA) had released money that would allow it to increase production by 150,000 b/d within two weeks. The NOC said it aims to gradually increase output to 900,000 b/d by the end of the year. Political disputes, conflict, and security threats have cut Libya's oil production to less than a quarter of the 1.6 million b/d it was producing in 2011.

Reuters, 13:30 July 31, 2016

Energy Prices

U.S. Oil and Gas Prices			
August 1, 2016			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	40.00	42.37	45.62
NATURAL GAS Henry Hub \$/Million Btu	2.94	2.78	2.77

Source: Reuters

Links

This Week in Petroleum from the U.S. Energy Information Administration (EIA)

<http://www.eia.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM & 1:00 PM ET every Wednesday.

Natural Gas Weekly Update from EIA

<http://www.eia.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM ET every Thursday.

ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/ead.aspx>

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